

**DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT**

700 North 10th Street, Room 258  
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(916) 327-6318 (TDD)

**IMPORTANT**

January 5, 2005

To All Low-Income Home Energy Assistance Program Contractors:

**Corrections to 2005 Low-Income Home Energy Assistance Program Contract**

This letter addresses two areas in your agency's 2005 Low-Income Home Energy Assistance Program contract that need correcting.

1. Exhibit B, Budget Detail and Payment Provisions, Attachment II, 2005 LIHEAP Weatherization Budget (CSD 557D): Contractors may line out, initial, and replace with their own budget amounts the figures that CSD entered onto Columns A and B, lines 5, 7, and 10 (Total Other Program Costs, Direct Program Activities, and Total Program Costs). We recognize that these changes will affect the spreadsheet allocation figures.
2. Exhibit B, Budget Detail and Payment Provisions, page B3 is missing two lines at the top of the page that complete a sentence from the preceding page. The complete sentence should read as follows, and the missing words are shown in bold:

"In that case, the State shall apply **the entire reimbursement amounts against the outstanding advance balance.**"

An updated page B3 is attached. Contractors may print and insert it into their agencies' 2005 LIHEAP contract. If your agency has already returned its contract, Contract Services Unit will insert the updated page B3 into each copy before the agreement is fully executed.

If you have questions regarding the correction or contracting process, you may contact Donna Fairchild of my staff at (916) 341-4275. For questions regarding the contractual requirements, reporting forms, insurance coverage, or other requirements, please contact your Field Representative.

Sincerely,

Original signed by



WENDY WOHL  
Acting Chief Deputy Director

WW:DGF  
Enclosure

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**EXHIBIT B**  
**(Standard Agreement)**

the entire reimbursement amounts against the outstanding advance balance.

2) Subsequent Payments

- a. Subsequent payments to Contractor shall be contingent upon receipt by the State of the bimonthly expenditure and activity reports as required by Exhibit B, Budget Detail and Payment Provisions, 3. Programmatic Provisions, item B. Reporting, of this Agreement. If Contractor owes CSD any outstanding balances for overpayments of any contract, current or previous, the balance may be offset, based on arrangements made with the Contractor.
- b. Contractor shall be entitled to obtain a maximum average reimbursement of \$2,744 per dwelling unit weatherized for applying the conservation measures and activities described in Exhibit B, Budget Detail and Payment Provisions, Attachment I, Payment Guidelines for Weatherization Activities. In the event that the Governor declares a State of Emergency or Local Emergency under Article 13 or 14 of the Emergency Services Act, the maximum average reimbursement shall be \$3,156 per dwelling unit.
- c. The State of Emergency or Local Emergency includes a weather event relating to cold or hot weather, flood, earthquake, tornado, hurricane, ice storm/freeze; or an event meeting such other criteria as the Governor and/or the President, at their discretion, and/or their designee may determine to be appropriate.
- d. In dwelling units in which the heating/cooling unit must be replaced or repaired, Contractor may expend a maximum average reimbursement of no more than \$4,234. This limitation includes all weatherization measures installed.
- e. Contractor shall invoice the State for accrued ECIP (excluding Fast Track) Heating and Cooling Service (ECIP HCS) expenditures as required in Exhibit B, Budget Detail and Payment Provisions, 3. Programmatic Provisions, B. Reporting, item 1), Bimonthly Reports, of this Agreement.
- f. Contractor shall invoice the State for accrued HEAP Wood, Propane, and Oil expenditures as required in Exhibit B, Budget Detail and Payment Provisions, 3. Programmatic Provisions, B. Reporting, item 1), Bimonthly Reports.